



Registered Office: Sohan Nagar, P. O. Charubeta Khatima - 262308, Distt. Udham Singh Nagar, Uttarakhand
Phone : (05943) 250153-57, Fax No. (05943) 250158

NOTICE OF EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that the Extra Ordinary General Meeting of the members of Ester Industries Limited will be held on Thursday, 31st October, 2013 at 10:30 AM at the Registered Office of the Company at Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand to transact the following Special Business:-

TO CONSIDER AND, IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION(S) THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956, if any including any statutory modification(s) or re-enactment thereof, for the time being in force and the applicable provisions of the Companies Act, 2013, the provisions of Foreign Exchange Management Act, 1999, Foreign Direct Investment Policy of India and rules and regulations framed there under and subject to the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (SEBI (ICDR) Regulations), as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and the stock exchanges where the shares of the Company are listed (Stock Exchanges) or any other authority and enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and the Stock Exchanges and subject to such conditions and modifications as may be considered appropriate by the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise one or more of its power including the powers conferred hereunder), and subject to requisite approvals, consents, permissions and/or sanctions if any, of SEBI, Stock Exchanges, Government of India and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board, the Board be and is hereby authorized to create, offer, issue and allot 2,07,50,000 (Two Crores Seven Lacs Fifty Thousands) Zero Coupon Warrants (hereinafter may be called as Warrants) of Rs. 10.10/- (Rupees Ten & Paise Ten only) each on preferential basis and convertible into 2,07,50,000 (Two Crores Seven Lacs Fifty Thousands) Equity Shares of Rs. 5 (Rs. Five only) each fully paid-up at price of Rs. 10.10/- (Rupees Ten & Paise Ten only) each including premium of Rs. 5.10/- (Rs. Five and Paise Ten only) each calculated in conformity with the SEBI (ICDR) Regulations to Vettel International Limited (Non-Promoter Group Entity) (hereinafter may be called as allottee or warrant holder).

RESOLVED FURTHER THAT the Relevant Date, as per the SEBI (ICDR) Regulations for the determination of issue price of the Warrants and the equity shares to be allotted pursuant to the preferential allotment and upon the conversion of Warrants is fixed as 1st October, 2013.

RESOLVED FURTHER THAT

- A. Warrants shall be convertible into equity shares of the Company not later than 18 months from the date of their allotment in accordance with the SEBI (ICDR) Regulations at the option of the warrant holder without any further approval of the shareholders prior to or at the time of conversion.
- B. The warrants by itself do not give to the warrants holder any rights of the shareholders of the company.

- C. The warrant holder shall pay an amount equivalent to at least 25% of the price fixed per Warrant in terms of the SEBI (ICDR) Regulations on or before the allotment of warrants. If the option to acquire equity shares pursuant to conversion of warrants is not exercised as per above clause A, the amount paid under this clause C shall be forfeited by the Company.
- D. The aforesaid allotment of the warrants and the equity shares to be allotted upon the conversion of Warrants shall be subject to the requirement of Lock-in/Non-transferability as per the requirements of SEBI (ICDR) Regulations.
- E. The allotment of the warrants shall be completed within a period of 15 days from the date of passing of this resolution by the shareholders provided that where the allotment is pending on account of pendency of any approval from any regulatory authority including Stock Exchanges where the shares of the Company are listed or the Government of India, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.
- F. The equity shares to be allotted upon conversion of Warrants shall rank pari passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of Rs. 5/- each of the Company and shall be subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.
- G. The allotment of warrants, allotment of equity shares pursuant to conversion of warrants, conditions of payment of consideration and other terms and condition thereof shall be subject to any statutory amendment and modification, notification, rules, regulations under any applicable law as may be for the time being in force.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of Warrants and equity shares pursuant to conversion of the Warrants and listing of such equity shares with the stock exchange(s) and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said equity shares and Warrants, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors, any other Director(s), Company Secretary or other officer(s) of the Company to give effect to the aforesaid resolution."

**By Order of the Board of Directors
For Ester Industries Limited**

**Sd/-
Diwaker Dinesh
Company Secretary**

Place : New Delhi

Date : 3rd October, 2013

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IN THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Corresponding to Section 173 of the Companies Act, 1956) in respect of aforementioned business is attached.
3. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members/Proxies should bring Notice along with the attendance slip duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. All documents referred to in the notice or in the accompanying explanatory statement are available for inspection by the members on all working days except Saturdays, Sundays and public holidays between 11.00 a.m. to 1.00 p.m. prior to the date of Extraordinary General Meeting and will also be available for inspection at the Meeting.
6. Green Initiative - Members, who have registered their email addresses for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice by email and others are being sent by post.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (CORRESPONDING TO SECTION 173 OF THE COMPANIES ACT, 1956)

Pursuant to provisions of Section 81(1A) of Companies Act, 1956, any offer or issue of warrants / shares of the Company to persons other than the existing holders of the equity shares of a Company requires prior approval of the Shareholders in general meeting by a Special Resolution. The Listing Agreements executed by the Company with the Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription pro- rata to the Shareholders unless the Shareholders in a general meeting decide otherwise.

In terms of Section 102 of the Companies Act, 2013 (Corresponding to Section 173 of the Companies Act, 1956), the following Explanatory Statement sets out all the material facts relating in respect of aforementioned business is attached. Further, in terms of Regulation 73 and other applicable provisions of SEBI (ICDR) Regulations, the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

i. The Objects of the issue through preferential offer:

The proceeds of the preferential offer are proposed to be used to inter alia fund the Company's growth capital requirements, to meet the Company's capital expenditure, enhance its long term resources and thereby strengthening the financial structure of the Company and for other general corporate purposes and purposes permitted by applicable laws.

ii. The intention of the Promoters/Directors/key management persons to subscribe to the offer:

Promoters/Directors/Key Management Personnel do not intend to subscribe the offer.

iii. Relevant Date:

The Relevant Date as per the SEBI (ICDR) Regulations for the determination of issue price of the Warrants and the equity shares to be allotted pursuant to conversion of the warrant is fixed as 1st October, 2013 i.e. 30 days prior to the date of shareholders meeting proposed to be held on 31st October, 2013, to approve the proposed preferential issue, in terms of Section 81(1A) of the Companies Act, 1956.

iv. Pricing of Preferential Issue:

The warrants and equity shares to be allotted pursuant to conversion of the warrant will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR) Regulations. Since the Company is listed on both BSE Limited and National Stock Exchange of India Limited, the trading volume of securities of the Company on both the stock exchanges is considered to determine the highest trading volume for computation of issue price.

Further, for the proposed allotment of the warrants and equity shares to be allotted pursuant to conversion of the warrant, the proposed issue price is required to be made at a price determined in accordance with Regulation 76(1) of the SEBI (ICDR) Regulations.

Accordingly, for the proposed allotment(s) of the warrants and equity shares to be allotted pursuant to conversion of the warrant, the issue price shall be Rs. 10.10/- (Rupees Ten and Paise Ten Only) per share, as computed by taking into consideration the prices quoted on National Stock Exchange of India Limited (being the recognized stock exchange on which the highest trading volume in respect of equity shares of the Company has been recorded during the preceding 26 weeks prior to the Relevant Date).

As required under the SEBI (ICDR) Regulations, wherever it is required, the Company shall re-compute the issue price mentioned above in accordance with the ICDR Regulations. Further, if the amount payable on account of the re-computation of issue price is not paid by the allottee, within the time stipulated under the ICDR Regulations, the equity shares allotted shall continue to be locked in till the time such amounts are paid by the allottee.

v. Identity of the proposed allottees:

The allotment of the warrants and equity shares pursuant to conversion of the warrant will be made to the following person –

Name of the Proposed allottee	Pre-allotment		Post-Allotment (After conversion of Warrants into Equity Shares)*	
	No of Shares held	% Shareholding	No of Shares held	% Shareholding
#Vettel International Limited (Non-Promoter Group Entity)	NIL	NIL	2,07,50,000	24.81

* The above percentage is based on the assumption of full subscription of the warrants and the subsequent allotment of equity shares on conversions of warrants into Equity Shares.

The allottee is incorporated in Mauritius and Mr. Kumar Sambhaw Ladha holds all the shares of Vettel International Limited therefore he will be the ultimate beneficiary under the proposed allotment of shares and shall have ultimate control on the shares.

vi. Shareholding Pattern pre and post preferential offer (based on shareholding pattern as on 20th September, 2013):

Category	Category of Shareholder	Pre-Allotment		Post-Allotment (After conversion of Warrants into Equity Shares)*	
		No of Shares held	% Shareholding	No of Shares held	% Shareholding
(A)	Promoter and Promoter Group				
(1)	Indian				
(a)	Individuals	450	--	450	--
(b)	Bodies Corporate	10,222,650	16.25	10,222,650	12.22
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals)	150	--	150	--
(b)	Bodies Corporate	35,120,192	55.84	35,120,192	41.99
	Total Shareholding of Promoter and Promoter Group (A)	45,343,442	72.09	45,343,442	54.21
(B)	Public shareholding				
(1)	Institutions				
(a)	Mutual Funds/UTI	27,500	0.04	27,500	0.03
(b)	Financial Institutions/Banks	34,800	0.06	34,800	0.04
(c)	Insurance Companies	300	--	300	--
(2)	Non-institutions				
(a)	Bodies Corporate	1,867,720	2.97	1,867,720	2.23
(b)	Individuals – i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	11,581,387	18.42	11,581,387	13.85
(c)	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	3,049,496	4.85	3,049,496	3.65
(d)	Non Resident Individual	989,061	1.57	989,061	1.18
(3)	Vettel International Limited (Proposed Allottee)	--	--	20,750,000	24.81
	Total Public Shareholding (B)	17,550,264	27.91	38,300,264	45.79
	TOTAL (A)+(B)	62,893,706	100.00	83,643,706	100.00

* The above percentage is based on the assumption of full subscription of the warrants and the subsequent allotment of equity shares on conversions of warrants into Equity Shares.

vii. Proposed time within which the allotment shall be completed:-

As required under the SEBI (ICDR) Regulations, the Company shall complete the allotment of equity shares and Warrants as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares and/or Warrants would require any approval(s) from any regulatory authority including the Stock Exchanges where the shares of the Company are listed or the Central Government, within 15 (fifteen) days from the date of such approval(s), as the case may be.

viii. Change in control:

There shall be no change in management or control of the Company pursuant to the issue of equity shares and Warrants.

ix. Others:

The certificate of the Statutory Auditors of the Company to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI (ICDR) Regulations shall be placed before the shareholders at the meeting.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, Listing Agreement and Chapter VII of the SEBI (ICDR) Regulations.

Your Directors, therefore, recommend the resolution for your approval.

None of the Directors, Key Managerial Personnel (KMP) of the Company and the relative of Directors and KMP is in any way concerned or interested in the above referred resolution.

**By Order of the Board of Directors
For Ester Industries Limited**

**Sd/-
Diwaker Dinesh
Company Secretary**

Place : New Delhi

Date : 3rd October, 2013



Registered Office: Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand

PROXY FORM

D. P. Id No.	
Client Id No.	

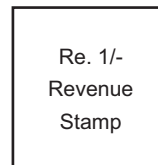
Folio No.	
No. of Shares	

I/We.....R/o.....
.....being a Member/Members of ESTER INDUSTRIES LIMITED hereby appoint
Mr./Ms. R/o or failing him/her
Mr./Ms R/o as my/our
Proxy to attend and vote for me/us on my/our behalf at the Extra-Ordinary General Meeting of the Company to be held on
Thursday, the 31st October, 2013 at 10:30 AM at Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh
Nagar, Uttarakhand and/or any adjournment thereof.

Signed thisday of 2013.

Signed by the said _____

- Note:
1. A proxy need not be a member of the Company.
 2. A Proxy can not speak at the meeting or vote on show of hand.
 3. This form duly completed and signed as per specimen signature registered with the Company should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the Meeting.
 4. Strike out whichever is not applicable.



Registered Office: Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand

EXTRA-ORDINARY GENERAL MEETING ATTENDANCE SLIP

DULY FILLED IN ATTENDENCE SLIP SHALL BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

D. P. Id No.	
Client Id No.	

Folio No.	
No. of Shares	

I/We hereby record my/our presence at the Extra-Ordinary General Meeting of the Company to be held on Thursday, the
31st October, 2013 at 10:30 AM at Sohan Nagar, P.O. Charubeta, Khatima – 262 308, District Udham Singh Nagar, Uttarakhand.

Name of the Shareholder (IN CAPITAL LETTER)	
Name of Proxy (IN CAPITAL LETTER)	

SIGNATURE/S OF THE SHAREHOLDER/S OR PROXY
(To be signed at the time of handing over the slip)

Book - Post

If undelivered, please return to:

ESTER

INDUSTRIES LTD.

Plot No.11, Block-A, Infocity-I, Sector-33 & 34,
Gurgaon-122001, Haryana